



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

JUL 29 2005

Dear Medi-Cal Long-Term Care Provider:

PRELIMINARY FACILITY-SPECIFIC REIMBURSEMENT RATES

California Assembly Bill (AB) 1629 (Statutes of 2004, Chapter 875) requires the Department of Health Services (DHS) to implement a cost-based facility-specific reimbursement rate methodology for the freestanding nursing facility, level-Bs (FS/NF-B), and freestanding subacute nursing facility, level Bs (FSSA/NF-B), as described in California Code of Regulations, Title 22, Section 51124.5.

The new rate methodology, if approved by the federal Centers for Medicare and Medicaid Services (CMS), will be effective commencing on August 1, 2005, and will be implemented the first day of the month following CMS approval. As soon as CMS approves the facility-specific rates, DHS will mail the new rate information to all providers.

In order for you to get a preview of what your rates may be, DHS has completed a preliminary facility-specific rate for fiscal year (FY) 2005-06 for all FS/NF-B and FSSA/NF-B facilities. The preliminary facility-specific rates for FY 2005-06 are available on DHS' website at: <http://www.dhs.ca.gov/mcs/mcpd/RDB/LTCSDU/default.htm>, or can be obtained by leaving a voice mail message for the AB 1629 coordinator, at (916) 552-8613.

If you feel the reimbursement rate for your facility is incorrect due to a mistake in any one of the data elements used to calculate your rate, please be advised that a rate review process will be forthcoming.

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If you have any questions, please contact Mr. Ruben Romero, Chief of the Long Term Care System Development Unit, at (916) 552-9635.

Sincerely,



for William V. Brennan, Chief
Rate Development Branch

cc: Mr. Ruben Romero, Chief
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